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TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

FINANCIAL STATEMENT
July 1, 1999 through June 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 01/17/01

**TANGIPAHOA PARISH TAX COLLECTOR
AMITE, LOUISIANA**

**Financial Statements
July 1, 1999 through June 30, 2000**

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INDEPENDENT AUDITOR'S REPORT

Honorable J. Edward Layrisson
Tangipahoa Parish Sheriff and Ex-Officio Tax Collector
Amite, Louisiana

We have audited the accompanying statement of changes in assets and liabilities of the Tangipahoa Parish Tax Collector Agency Fund for the period from July 1, 1999 through June 30, 2000. These financial statements are the responsibility of the Tangipahoa Parish Tax Collector Agency Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Tangipahoa Parish Sheriff is the ex-officio tax collector for the various taxing bodies within Tangipahoa Parish, and the accompanying financial statements present information only on his activities as parish tax collector. Accordingly, the accompanying financial statements are not intended to and do not present the financial position and results of operations of the Tangipahoa Parish Sheriff.

In our opinion, the financial statements referenced in the first paragraph present fairly, in all material respects, the changes in assets and liabilities of the Tangipahoa Parish Tax Collector Agency Fund for the period from July 1, 1999 through June 30, 2000 in conformity with generally accepted accounting principles. The accompanying financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Tangipahoa Parish Tax Collector Agency Fund. Such information has been subjected to the procedures applied in the examination of the statement of changes in assets and liabilities and, in our opinion, is fairly stated in all material respects in relation to the financial statements of the Tangipahoa Parish Tax Collector Agency Fund.

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In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2000 on our consideration of the Tangipahoa Parish Sheriff's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Tangipahoa Parish Tax Collector Agency Fund taken as a whole. The supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Tangipahoa Parish Tax Collector Agency fund. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, such information is fairly presented in all material respects in relation to the financial statements taken as a whole.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

August 18, 2000

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Statement A

Statement of Changes in Assets and Liabilities
July 1, 1999 through June 30, 2000

	<u>Balance 07/01/99</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 06/30/00</u>
Assets:				
Cash	\$ 56,518	\$ 18,136,764	\$ 18,095,937	\$ 97,345
Receivables	-	290		290
	<u>\$ 56,518</u>	<u>\$ 18,137,054</u>	<u>\$ 18,095,937</u>	<u>\$ 97,635</u>
 Liabilities:				
Due to Taxing Bodies & Others	\$ <u>56,518</u>	\$ <u>18,137,054</u>	\$ <u>18,095,937</u>	\$ <u>97,635</u>

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH TAX COLLECTOR

Amite, Louisiana

Notes to the Financial Statement

July 1, 1999 through June 30, 2000

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes, sales and use taxes, parish occupational licenses, state revenue sharing funds, and angling, hunting, and trapping licenses.

Louisiana Revised Statute 24:514 requires that the accounts of each tax collector be audited annually. Accordingly, the accompanying statements and schedules reflect the Sheriff's fiduciary responsibility as ex-officio tax collector. Amounts included in this report are included in the Sheriff's annual component unit financial statements. The Tax Collector Fund is an agency fund of the Sheriff's component unit financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The basis of accounting for an Agency Fund is the modified accrual basis. The measurement focus is custodial, since the fund is not involved with the performance of governmental services.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others. The Tax Collector Fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operation.

B. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits and interest bearing demand deposit accounts. Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

Investments are limited by Louisiana RS 33:2955 and the Sheriff's investment policy. If the original maturities of investments exceed ninety days, they are classified as investments; however, if the original maturities are ninety days or less, they are classified as cash equivalents.

The Sheriff maintains some investments in the Louisiana Asset Management Pool (LAMP), a non-profit corporation formed by an initiative of the state treasurer and organized under the laws of Louisiana to operate as a local government investment pool. LAMP invests its assets only in securities and other obligations permissible under Louisiana law for local governments.

TANGIPAHOA PARISH TAX COLLECTOR

Amite, Louisiana

Notes to the Financial Statement

(Continued)

July 1, 1999 through June 30, 2000

LAMP is an external investment pool that is not registered with the SEC as an investment company, but nevertheless operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB-31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires the reporting of investment positions in 2a7-like pools (such as LAMP) be based on the pool's share price.

2. DEPOSIT FUNDS

At June 30, 2000, the tax collector has cash and cash equivalents (book balances) totaling \$97,345 consisting of interest-bearing demand deposits. These funds are included as part of the total deposits of \$958,312 (book balances) of the Tangipahoa Parish Sheriff's Office, at June 30, 2000, and consist of the following:

Demand Deposits	\$ 2,572
Interest-Bearing Demand Deposits	861,257
Louisiana Asset Management Pool (LAMP)	94,483
Total	<u>\$ 958,312</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2000, the sheriff has \$1,557,881 in deposits (collected bank balances). These deposits are secured from risk by \$112,186 of federal deposit insurance and \$1,445,695 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

3. AD VALOREM TAXES

Ad Valorem taxes are recorded in the year the taxes are due and payable. Ad Valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year.

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana
Notes to the Financial Statement
(Continued)
July 1, 1999 through June 30, 2000

4. REVENUE SHARING FUNDS

The revenue sharing funds were distributed as follows:

Tangipahoa Parish:

Parish Council	\$ 72,508
Garbage Maintenance District # 1	179,613
School Board	133,914
Assessor	127,921
Drainage Districts	88,244
Fire Protection Districts	384,001
Library	151,202
Health Unit	54,781
Port Commission	44,612
Ponchatoula Recreation District	78,110
Independence Recreation District	22,742
Florida Parish Juvenile District	82,174
Pension Funds	36,274

Sheriff:

Law Enforcement District	281,028
Commissions	<u>263,323</u>

Total	<u><u>\$ 2,000,447</u></u>
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5. TAXES PAID UNDER PROTEST.

At June 30, 2000, there was a total of \$73,584 deposited in the protested taxes account, pending a determination of the suit seeking recovery of the taxes.

6. LITIGATION

The Tangipahoa Parish Sheriff is involved in several lawsuits. In the opinion of the Sheriff's legal counsel, resolution of these lawsuits would not involve a liability to the Tangipahoa Parish Tax Collector's office.

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Schedule 1

Schedule of Collections, Settlements, and Cash Balances
July 1, 1999 through June 30, 2000

Cash Balance at July 1, 1999:

Due to Taxing Bodies and Others	\$	56,518
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Collections:

Ad Valorem Taxes	\$ 14,142,360	
Prior Year Taxes	171,422	
Clerk of Court	5,706	
Angling, Hunting, and Trapping Licenses	213,315	
Parish Licenses	372,906	
Interest on Delinquent Taxes	136,930	
State Revenue Sharing (Note 4)	2,000,447	
Hotel / Motel Tax	183,510	
Tax Notices, Costs, Etc.	116,029	
Refunds and Redemptions	433,797	
Interest Earned on Interest Bearing Accounts	34,135	
Protested Taxes	321,497	
Louisiana Tax Commission	5,000	
Total Collections		18,137,054

Settlements:

Louisiana Department of Wildlife and Fisheries	176,375	
Louisiana Forestry Commission	18,944	
Tangipahoa Parish:		
Parish Council	1,680,176	
School Board	3,751,881	
Sheriff	4,158,630	
Assessor	1,001,061	
Tourist Commission	174,270	
Clerk of Court	5,706	
Drainage Districts	912,683	
Recreation Districts	453,555	
Fire Protection Districts	1,931,153	
Library	1,170,640	
Health Unit	418,696	
Port Commission	362,706	
Hammond Development District	102,951	
Florida Parish Juvenile District	626,331	
Refunds and Redemptions	456,385	
Pension Funds	418,244	
Protested Taxes	270,361	
Advanced Sportsman Account	162	
Louisiana Tax Commission	5,027	
Total Settlements		(18,095,937)

Cash Balance at June 30, 2000

Due to Taxing Bodies and Others	\$	<u>97,635</u>
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The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Schedule 2

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2000

Section I - Internal Control and Compliance Material to the Financial Statements

No Findings for Section I

Section II - Management Letter

Reference Number: 95-M1

Fiscal Year Finding Initially Occurred: 06/30/95

Description of Findings:

We had noted in prior year audits, that the programming changes required to record all collections of the "Taxes Other" account of the Tax Collector Agency Fund, had not been implemented. Management had requested that the changes be made, but changes were not completed by the programmer. Response by management was that they would give the programmer a final deadline for completing the required programming changes.

Correction Action Taken: Partial

Description of Partial Correction Action Taken:

Because of other programs implemented, we were unable to finalize changes during the fiscal year. However, we maintained a separate general ledger as a control to ensure that taxes were properly disbursed. Our plans are to schedule the programming and to determine if reimbursement of costs from tax distributions is allowable under Louisiana Revised Statute 33:4713.

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Schedule 2

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2000
(Continued)

Reference Number: 99-1

Fiscal Year Finding Initially Occurred: 06/30/99

Description of Finding:

It was noted within Footnote 7 (Year 2000 Issue) of the *Notes to the Financial Statements* for the fiscal year ending June 30, 1999, that the Tangipahoa Parish Tax Collector has performed a preliminary inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue, and that the Tax Collector's Office is dependent in large part on property tax billings administered by the Tangipahoa Parish Assessor's Office, with payment of taxes, licenses, and fees, made by numerous third party vendors and governmental agencies. Software and computer systems of other parties providing services to the Tax Collector's Office have not been inventoried to determine year 2000 compliance. It is unknown, as of June 30, 1999, what effects, if any, failing to remediate any such systems will have upon the Tax Collector's operations and financial reporting. We recommended immediate action for the following:

1. Complete the evaluation of all computer systems and other electronic equipment to determine year 2000 compliance, and make any necessary changes or upgrades immediately.
2. Maintain contact with agencies providing billing services, and for which the Tax Collector is dependent upon for collection of taxes, to ensure that third party systems are year 2000 compliant.

Correction Action Taken: Final

Description of Partial Correction Action Taken:

The Tangipahoa Parish Tax Collector has not experienced any material year 2000 problems with software and computer systems.

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Schedule 3

Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 2000

Section I - Internal Control and Compliance Material to the Financial Statements

No Section I Findings.

Section II - Management Letter

No Section II Findings.

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Sheriff, J. Edward Layrisson
Tangipahoa Parish Sheriff and Ex-Officio Tax Collector
Amite, Louisiana

We have audited the financial statements of the Tangipahoa Parish Tax Collector Agency Fund for the period of July 1, 1999 through June 30, 2000, and have issued our report thereon dated August 18, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tangipahoa Parish Tax Collector's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Tangipahoa Parish Tax Collector's Office in the *Summary Schedule of Prior Year Audit Findings*, as Reference Number 95-M1.

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This report is intended for the information of management, the Legislative Auditor, and the Federal Cognizant Agent. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Bruce Harrell & Co.".

Bruce Harrell and Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

August 18, 2000